

UNITED STATES BANKRUPTCY COURT  
SOUTHERN AND WESTERN DISTRICTS OF TEXAS  
Houston DIVISION

CASE NAME: Square Melons Inc

Petition Date: 09/24/2018

CASE NUMBER: 18-35304

MONTHLY OPERATING REPORT SUMMARY FOR MONTH January YEAR 2019

MONTH						
REVENUES (MOR-6)	<u>January</u>					
	<u>36,168.50</u>					
INCOME BEFORE INT, DEPREC./TAX (MOR-6)	<u>6,443.39</u>					
NET INCOME (LOSS) (MOR-6)	<u>6,443.39</u>					
PAYMENTS TO INSIDERS (MOR-9)	<u>8,072.00</u>					
PAYMENTS TO PROFESSIONALS (MOR-9)	<u>—</u>					
TOTAL DISBURSEMENTS (MOR-8)	<u>29,725.11</u>					

\*\*\*The original of this document must be filed with the United States Bankruptcy Court and a copy must be sent to the United States Trustee\*\*\*

<b>REQUIRED INSURANCE MAINTAINED AS OF SIGNATURE DATE</b>		<b>EXP. DATE</b>
CASUALTY	YES ( ) NO (X)	<u>10-12-2018</u>
LIABILITY	YES (X) NO ( )	<u>04-02-2018</u>
VEHICLE	YES (X) NO ( )	
WORKERS	YES ( ) NO (X)	
OTHER	Bus Pers. Prop YES (X) NO ( )	<u>10-12-2019</u>
ATTORNEY NAME: <u>Jessica Hoff</u>		
FIRM: <u>Hoff Law Offices, PC</u>		
ADDRESS: <u>1200 Smith Street, 16th Floor</u>		
CITY, STATE ZIP: <u>Houston, TX 77002</u>		
TELEPHONE: <u>281-763-2067</u>		

MOR-1

TITLE President

Are all accounts receivable being collected within terms? Yes ☒ Yes ☐ No ☒ No  
 Are all post-petition liabilities, including taxes, being paid within terms? Yes ☒ Yes ☐ No ☒ No  
 Have any pre-petition liabilities been paid? Yes ☒ Yes ☐ No ☒ No  
 If so, describe \_\_\_\_\_  
 Are all funds received being deposited into DIP bank accounts? Yes ☒ Yes ☐ No ☒ No  
 Were any assets disposed of outside the normal course of business? Yes ☒ Yes ☐ No ☒ No  
 If so, describe \_\_\_\_\_  
 Are all U. S. Trustee Quarterly Fee Payments current? Yes ☒ Yes ☐ No ☒ No  
 What is the status of your Plan of Reorganization? \_\_\_\_\_

I certify under penalty of perjury that the following complete  
Monthly Operating Report (MOR), consisting of MOR-1 through  
MOR-9 plus attachments, is true and correct.

SIGNED [Signature]  
(ORIGINAL SIGNATURE)

## COMPARATIVE BALANCE SHEETS

ASSETS	FILING DATE*	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
CURRENT ASSETS	9/24/18	Jan 31					
Cash	7,824.67	8,155.16					
Accounts Receivable, Net	13,809.27	13,809.27					
Inventory: Lower of Cost or Market							
Prepaid Expenses							
Investments							
Other	71,000.00	71,000.00					
TOTAL CURRENT ASSETS	92,633.94	92,964.43					
PROPERTY, PLANT&EQUIP, @ COST	49,823.62	49,000.00					
Less Accumulated Depreciation							
NET BOOK VALUE OF PP & E							
OTHER ASSETS:							
1. Tax Deposits							
2. Investments in Subs							
3.							
4. (attach list)							
TOTAL ASSETS	142,457.56	141,964.43					

\* Per Schedules and Statement of Affairs

MOR-2



CASE NAME: Square Melons Inc

CASE NUMBER: 18-35304

## COMPARATIVE BALANCE SHEETS

LIABILITIES & OWNER'S EQUITY	FILING DATE*	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	9/24/18	JAN 31						
<b>LIABILITIES:</b>								
POST-PETITION LIABILITIES (MOR-4)								
PRE-PETITION LIABILITIES:								
Notes Payable-Secured	232,714.75	212,039.73						
Priority Debt								
Federal Income Tax								
FICA/Withholding	7,890.60	7,890.60						
Unsecured Debt	53,615.01	53,615.01						
Other								
<b>TOTAL PRE-PETITION LIABILITIES</b>								
<b>TOTAL LIABILITIES</b>	294,220.36	273,545.34						
<b>OWNER'S EQUITY (DEFICIT):</b>								
PREFERRED STOCK								
COMMON STOCK								
ADDITIONAL PAID-IN CAPITAL								
RETAINED EARNINGS: Filing Date	445,361.99							
RETAINED EARNINGS: Post Filing Date		445,361.99						
<b>TOTAL OWNER'S EQUITY (NET WORTH)</b>	-151,141.63	-171,816.65						
<b>TOTAL LIABILITIES &amp; OWNER'S EQUITY</b>	294,220.36	273,545.34						

MOR-3

\*Per Schedules and Statement of Affairs

Revised 6/14/96

CASE NAME: Square Melons IncCASE NUMBER: 18-35304**SCHEDULE OF POST-PETITION LIABILITIES**

	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
<b>TRADE ACCOUNTS PAYABLE</b>	<i>January</i>					
<b>TAX PAYABLE:</b>						
Federal Payroll Taxes	<i>7,890.60</i>					
State Payroll & Sales						
Ad Valorem Taxes						
Other Taxes						
<b>TOTAL TAXES PAYABLE</b>	<i>7,890.60</i>					
<b>SECURED DEBT POST-PETITION</b>						
<b>ACCRUED INTEREST PAYABLE</b>						
<b>*ACCRUED PROFESSIONAL FEES:</b>						
<b>OTHER ACCRUED LIABILITIES:</b>						
1.						
2.						
3.						
<b>TOTAL POST-PETITION LIABILITIES (MOR-3)</b>						

\* Payment Requires Court Approval.

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CASE NAME: Square Melons IncCASE NUMBER: 18-35304

## AGING OF POST-PETITION LIABILITIES

MONTH January

DAYS	TOTAL	TRADE ACCTS	FED TAXES	STATE TAXES	AD-VALOREM, OTHER TAXES	OTHER
0-30						
31-60						
61-90						
91 +			7,890.60			
TOTAL			7,890.60			

## AGING OF ACCOUNTS RECEIVABLE

MONTH	January					
0-30 DAYS						
31-60 DAYS						
61-90 DAYS						
91 + DAYS	13,809.27					
TOTAL	13,809.27					

MOR-5

Revised 6/14/96



## STATEMENT OF INCOME (LOSS)

MONTH	January							FILING TO DATE
REVENUES (MOR-1)	36,168.56							
TOTAL COST OF REVENUES	10,901.03							
GROSS PROFIT	25,267.47							
OPERATING EXPENSES:								
Selling & Marketing	186.67							
General & Administrative	10,565.41							
Insiders Compensation	8,072.00							
Professional Fees								
Other (attach list)								
TOTAL OPERATING EXPENSES	18,824.08							
INCOME BEFORE INT, DEPR/TAX (MOR-1)	6,443.39							
INTEREST EXPENSE								
DEPRECIATION								
OTHER (INCOME) EXPENSE*								
OTHER ITEMS**								
TOTAL INT, DEPR & OTHER ITEMS								
NET INCOME BEFORE TAXES	6,443.39							
FEDERAL INCOME TAXES								
NET INCOME (LOSS) (MOR-1)	6,443.39							

Accrual Accounting Required, Otherwise Footnote With Explanation

\* Footnote Mandatory

\*\* Unusual and/or infrequent item(s) outside the ordinary course of business; requires footnote

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CASE NAME: Square Melons IncCASE NUMBER: 18-35304

CASH RECEIPTS AND DISBURSEMENTS							
1. CASH - BEGINNING OF MONTH	MONTH JANUARY	MONTH	MONTH	MONTH	MONTH	MONTH	SIX MONTHS TO DATE
RECEIPTS:	1,711.77						
2. CASH SALES	36,168.50						
3. COLLECTION OF ACCOUNTS RECEIVABLE							
4. LOANS & ADVANCES (attach list)							
5. SALE OF ASSETS							
6. OTHER (attach list)							
TOTAL RECEIPTS	36,168.50						
(Withdrawal) Contribution by Individual Debtor MFR-2*							
DISBURSEMENTS:							
7. NET PAYROLL							
8. PAYROLL TAXES PAID							
9. SALES, USE & OTHER TAXES PAID							
10. SECURED / RENTAL / LEASES	7,341.87						
11. UTILITIES	778.99						
12. INSURANCE							
13. INVENTORY PURCHASES							
14. VEHICLE EXPENSES							
15. TRAVEL & ENTERTAINMENT	260.99						
16. REPAIRS, MAINTENANCE & SUPPLIES	233.25						
17. ADMINISTRATIVE & SELLING	13,038.01						
18. OTHER (attach list) <i>overdue draw</i>	8,072.00						
TOTAL DISBURSEMENTS FROM OPERATIONS	29,725.11						
19. PROFESSIONAL FEES							
20. U.S. TRUSTEE FEES							
21. OTHER REORGANIZATION EXPENSES (attach list)							
TOTAL DISBURSEMENTS	29,725.11						
22. NET CASH FLOW	6,443.39						
23. CASH - END OF MONTH (mor-2)	8,155.66						

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\* Applies to Individual debtor's only.

Revised 6/14/96



CASE NAME: Square Melons Inc

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CASH ACCOUNT RECONCILIATION

MONTH OF January

BANK NAME	Wells Fargo				
ACCOUNT NUMBER	# 9805488013	#	#		
ACCOUNT TYPE	OPERATING	PAYROLL	TAX	OTHER FUNDS	TOTAL
BANK BALANCE	8,155.66				
DEPOSIT IN TRANSIT					
OUTSTANDING CHECKS					
ADJUSTED BANK BALANCE	8,155.66				
BEGINNING CASH - PER BOOKS	1,711.77				
RECEIPTS	36,168.50				
TRANSFERS BETWEEN ACCOUNTS					
(WITHDRAWAL) CONTRIBUTION - BY INDIVIDUAL DEBTOR MFR-2					
CHECKS/OTHER DISBURSEMENTS	29,725.11				
ENDING CASH - PER BOOKS	8,155.16				

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CASE NAME: Square Melons IncCASE NUMBER: 18-35304**PAYMENTS TO INSIDERS AND PROFESSIONALS**

Of the total disbursements shown for the month, list the amount paid to insiders (as defined in Section 101(31)(A)-(F) of the U. S. Bankruptcy Code) and the professionals. Also, for insiders identify the type of compensation paid (e.g., salary, commission, bonus, etc.) (Attach additional pages as necessary.)

INSIDERS: NAME/POSITION/COMP TYPE	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
1. <u>SADLER HASSAN</u> <u>Partner</u> <u>Draw</u>	<u>January</u>					
2.						
3.						
4.						
5.						
6.						
TOTAL INSIDERS (MOR-1)	<u>8,672.00</u>					

PROFESSIONALS NAME/ORDER DATE	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
1.						
2.						
3.						
4.						
5.						
6.						
TOTAL PROFESSIONALS (MOR-1)						

**MOR-9**

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Date	Amount	Description	Income	Merchant Fees	Insurance	Development Expenses	Travel	Supplies	Meals and Entertainment	Telephone	Bank Fees	Utilities	Advertising	Repairs and Maintenance	Dues and Subscriptions	Owner's Draw	Rent	Auto lease
1/1/2019	\$ (47.26)	PURCHASE AUTHORIZED ON 01/01/2019 WA SUPERC W&MART SUB KATY/HOUSTON TX P0000000171612019 CARD 5355						\$ (47.26)										
1/1/2019	\$ (17.59)	PURCHASE AUTHORIZED ON 01/01/2019 H-E-B #563 SUGARLAND TX P00000008716001 CARD 5355						\$ (17.59)										
1/1/2019	\$ (56.67)	PURCHASE AUTHORIZED ON 01/01/2019 BUC-EE'S #81 RICHMOND TX P00000001890702 CARD 5355					\$ (56.67)											
1/1/2019	\$ (37.31)	RECURRING PAYMENT AUTHORIZED ON 12/31/2018 INTUIT *QB ONLINE 800-286-6800 CA 54690200121220 CARD 5355														\$ (37.31)		
1/1/2019	\$ (154.61)	PURCHASE AUTHORIZED ON 12/31/2018 *BRYAN'S ENERGY 844 361-2080 TX 53080577275686 CARD 5355										\$ (154.61)						
1/1/2019	\$ (422.30)	PURCHASE AUTHORIZED ON 12/31/2018 VERIZON WRL WY ACC 800-9220004 CA 558836568824483 CARD 5355								\$ (422.30)								
1/1/2019	\$ (439.30)	PURCHASE AUTHORIZED ON 12/31/2018 INTERNET.ME.NET INC 800-379-7729 WA 538836552405519 CARD 5355														\$ (439.30)		
1/1/2019	\$ (187.69)	RECURRING PAYMENT AUTHORIZED ON 12/31/2018 BLACKSPACE CLOUD 210-312-4000 TX 5588355514669922 CARD 5355														\$ (187.69)		
1/1/2019	\$ (99.00)	RECURRING PAYMENT AUTHORIZED ON 12/31/2018 BC BASECAMP 3 3705 312-281-5333 IL 5468365470677552 CARD 5355														\$ (99.00)		
1/1/2019	\$ (83.31)	RECURRING PAYMENT AUTHORIZED ON 01/01/2019 COMCAST OF HOUSTON 713-341-1000 TX 538902059397895 CARD 5355										\$ (83.31)						
1/1/2019	\$ (9.59)	RECURRING PAYMENT AUTHORIZED ON 01/01/2019 SHOPIFY * 58590120 HTTPSSHOPFY IL 538903348247977 CARD 5355														\$ (9.59)		
1/1/2019	\$ (118.31)	PURCHASE AUTHORIZED ON 01/01/2019 B&B, INC 888-898-888- 8888733 CA 538902028191794 CARD 5355								\$ (118.31)								
1/1/2019	\$ (51.50)	BUSINESS TO BUSINESS ACH INTUIT PIVAT SOLA TRAN FEE 190105 524771994564695 SQUARE MELONS, INC.	\$ (51.50)															
1/1/2019	\$ (45.25)	PURCHASE AUTHORIZED ON 01/07/2019 SAMSCLUB M/64 KATY TX P0000000139237466 CARD 5355							\$ (45.25)									
1/1/2019	\$ 1,500.00	INTUIT PIVAT SOLA DEPOSIT 190105 524771994564695 SQUARE MELONS, INC.	\$ 1,500.00															
1/1/2019	\$ (25.75)	BUSINESS TO BUSINESS ACH INTUIT PIVAT SOLA TRAN FEE 190108 524771994564695 SQUARE MELONS, INC. WIT 190108-053229 IDBI BANK LIMITED /BNF-Chand, PK SR## 0W00000364696765 TRN#1 9010053229 FR## 0W00000364696765 WINE TRANS SVC CHANGE - SEQUENCE 190108053229 SR## 0W00000364696765 TRN#1 9010053229 FR## 0W00000364696765	\$ (25.75)															
1/1/2019	\$ 280.00	ONLINE TRANSFER FROM IMPROVESCOT, INC BUSINESS CHECKING XXXXXX3531 REF MB05MTRBAGZ ON 01/08/19 INTUIT PIVAT SOLA DEPOSIT 190108 524771994564695 SQUARE MELONS, INC.	\$ 280.00															
1/1/2019	\$ 750.00	INTUIT PIVAT SOLA DEPOSIT 190117 524771994564695 SQUARE MELONS, INC.	\$ 750.00															
1/1/2019	\$ (32.16)	PURCHASE AUTHORIZED ON 01/04/2019 B&B, INC 888-898-888- 8888733 CA 54690200450491 CARD 5355							\$ (32.16)									
1/1/2019	\$ (60.00)	RECURRING PAYMENT AUTHORIZED ON 01/10/2019 A1&T PAYMENT 800-286-2020 TX 546901073751809 CARD 5355							\$ (60.00)									
1/1/2019	\$ (2.97)	BUSINESS TO BUSINESS ACH INTUIT PIVAT SOLA TRAN FEE 190117 524771994564695 SQUARE MELONS, INC. INTUIT PIVAT SOLA DEPOSIT 190117 524771994564695 SQUARE MELONS, INC.	\$ (2.97)															
1/1/2019	\$ 80.00	PURCHASE AUTHORIZED ON 01/19/2019 H-E-B #563 SUGARLAND TX P0000000047687690 CARD 5355	\$ 80.00															
1/1/2019	\$ (10.42)	RECURRING PAYMENT AUTHORIZED ON 01/19/2019 BIG-Hedgehog.com 713-5745287 MA 5389020040218655 CARD 5355						\$ (10.42)										
1/1/2019	\$ (18.07)	RECURRING PAYMENT AUTHORIZED ON 01/19/2019 INTUIT *QB ONLINE 800-286-6800 CA 5469020037899397 CARD 5355														\$ (18.07)		
1/1/2019	\$ (91.40)	PURCHASE AUTHORIZED ON 01/19/2019 SAM'S CLUB RICHMOND TX P00000003877231 CARD 5355						\$ (91.40)								\$ (37.31)		
1/1/2019	\$ 75.00	ONLINE TRANSFER FROM IMPROVESCOT, INC BUSINESS CHECKING XXXXXX3531 REF MB05PVCVD ON 01/19/19	\$ 75.00															
1/1/2019	\$ (25.75)	BUSINESS TO BUSINESS ACH INTUIT PIVAT SOLA TRAN FEE 190124 524771994564695 SQUARE MELONS, INC.	\$ (25.75)															
1/1/2019	\$ (21.33)	KATY TX P0000000171599815 CARD 5355 INTUIT PIVAT SOLA DEPOSIT 190124 524771994564695 SQUARE MELONS, INC.	\$ (21.33)															
1/1/2019	\$ 750.00	PURCHASE AUTHORIZED ON 01/24/2019 Texans Energy 281- 287-2068 TX 5309020670204189 CARD 5355	\$ 750.00															
1/1/2019	\$ (24.92)	BUSINESS TO BUSINESS ACH INTUIT PIVAT SOLA TRAN FEE 190126 524771994564695 SQUARE MELONS, INC. RECURRING PAYMENT AUTHORIZED ON 01/27/2019 EIG+Hedgehog.com 713-5745287 MA 5469028077496992 CARD 5355	\$ (24.92)															
1/1/2019	\$ (31.98)	PURCHASE AUTHORIZED ON 01/28/2019 HCTR A EZ TAG Rebel 281-8753279 TX 5309020572902185 CARD 5355														\$ (31.98)		
1/1/2019	\$ (7.22)	PURCHASE AUTHORIZED ON 01/28/2019 THE SIMPLY SPENDI KATY TX 5389026541768649 CARD 5355	\$ (7.22)															
1/1/2019	\$ (19.00)	PURCHASE AUTHORIZED ON 01/29/2019 SQ *FANOCOSH - BIRY SUGAR LAND TX 530902050885157 CARD 5355	\$ (19.00)															



